

"PROTECTION AGAINST UNETHICAL PRACTICES IN

NEW JERSEY REAL ESTATE CODE"

A STATEMENT

To be presented to the New Jersey Real Estate Commission by Mr. Kim Jefferson on behalf of the Clinton Hill Neighborhood Council, March 1, 1961.

My name is Kim Jefferson. I am the Associate Minister of Community Relations at Trinity Methodist Church in Newark, New Jersey. I come today both to represent my personal concern as a minister of a racially integrated church and to speak, officially, for the Clinton Hill Neighborhood Council, which represents a wide range of institutional and individual citizen interests in the Clinton Hill area of Newark. I speak today in a dual capacity, as a minister whose primary staff responsibility is to work with constructive community groups engaged in the fight against all forms of blighting influences upon our neighborhood and as an officer of a neighborhood council, which, over the last five years, has been heroically engaged in the effort to preserve the stability of the Clinton Hill community on a well-maintained, balanced integrated basis.

I am here because I believe--and the Council believes--that the real estate industry, in its failure to police itself adequately, must share part of the responsibility for the developments which are threatening, in spite of our best efforts, to transform Clinton Hill from a very desirable residential neighborhood where citizens of all races, religions, and nationalities are welcomed, into a new slum ghetto.

I am here because we are concerned about the effects that improper and unethical real estate practices can have and have had upon the stability, upon the morale, and upon the balanced integrated character of our community. In particular, we are concerned about the evidences, in reports which we have received and in observations we have made, of (1) discriminatory practices in the sale and rental of homes, (2) misrepresentation in advertisements or in sales and rental agreements, and (3) competitive real estate practices that are sometimes inimical to community stability.

It is not our purpose today to document these concerns. The fact that such practices do occur, we believe, has been widely established. Rather, it is our purpose to raise certain questions relating to a real estate code that arise from these concerns and to offer certain recommendations that we believe can usefully be incorporated in a real estate code to protect communities such as ours from such unethical practices.

Specifically, we would ask:

1. Under the present code, is the possessor of a real estate license required to distinguish between "ethical" and "unethical" practices?

2. If conformity to certain ethical standards is a requirement under the real estate code, does this include prohibitions against discriminatory practices because of race, religion, or national origin?

3. Does the present code clearly define what constitutes "misrepresentation" in advertisements or in sales and rental agreements, particularly in regard to zoning requirements?

4. Does the present code clearly indicate whether and when panic-producing techniques are "unethical"? To what extent are such advertising techniques as leaflets in mail boxes, telephone call solicitations from agents, door-to-door canvassing, and "sold" signs subject to regulations by the New Jersey Real Estate Commission?

5. Under the present code, is the real estate licensee who engages in discriminatory practices or who employs panic-producing techniques or who misrepresents in advertisements or in oral or written rental and/or sales agreements subject to revocation of license?

If the present code does not adequately define these standards or if it does not provide adequate means for enforcing these standards--and our experience suggests that either the lack of clearly defined standards or the lack of adequate enforcement machinery, or both, is the case--then we urge that steps be taken immediately to remedy this situation.

In particular, we recommend, first, that the revised real estate code include a clear definition of "unethical real estate practices" with especial reference to discriminatory practices. The regulation of the Michigan State Corporation and Securities Commission which went into effect on August 14, 1960, we believe, is a satisfactory basis for such definition. It reads:

"A broker or salesman, acting individually or jointly with others, shall not refuse to sell or offer for sale, or to buy or offer to buy, or to receive an offer to sell or buy, or to appraise, or to list, or to negotiate the purchase, sale, exchange, or mortgage of real estate, or to negotiate for the construction of buildings thereon, or to lease or to offer for lease, or to rent or offer for rent, any real estate or the improvements thereon, or any other service performed as broker or salesman, because of the race, color, religion, national origin, or ancestry of any person or persons".

Second, we urge that the language of this anti-discriminatory provision be sufficiently clear as to prohibit the use of racial designations in newspaper advertisements by licensed brokers.

Third, we recommend that consideration be given to the regulation of the size, shape, color, and time period for the exhibition of such a form of advertisement as represented by a "Sold" sign.

Fourth, we recommend that all "For Sale" signs and all rental and sales agreements be required to stipulate the zoning restrictions pertaining to the dwelling.

Finally, we recommend that the New Jersey Real Estate Commission be empowered to revoke licenses of brokers and salesmen engaging in such "unethical" real estate practices as we have indicated.

Issued by:

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